

IRS News Release

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Treasury and IRS Revise Circular 230 for Tax Professionals

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WASHINGTON — The Treasury Department and the Internal Revenue Service today issued a notice proposing amendments to Treasury Department Circular 230. This provision governs tax professionals who practice before the IRS.

Ensuring that tax professionals adhere to professional standards and follow the law is one of the top four enforcement goals for the IRS. This proposed revision of Circular 230 plays a critical part in achieving this goal.

The revisions to Circular 230 proposed today would modify:

- the definition of practice,
- eligibility for enrollment,
- unenrolled practice, and
- the rules concerning contingent fees, conflicts of interest, standards with respect to tax returns and documents, affidavits and other papers, sanctions, discovery, publicity, and appeals.

The proposed regulations also would replace certain terminology to conform to the terminology used in 18 U.S.C. 207, and 5 C.F.R. parts 2637 and 2641 (or superseding regulations). The proposed regulations do not address the standards for written tax advice that were the subject of final amendments to the regulations issued in December 2004 and modified in May 2005.

Today's announcement follows a thorough review of extensive public comments to a December 2002 advance notice of proposed rulemaking relating to the Office of Professional Responsibility, unenrolled practice, eligibility for enrollment, sanctions and disciplinary proceedings, contingent fees and confidentiality agreements.

A hearing on the proposed regulations is scheduled for Wednesday, June 21, 2006 at 10 a.m., in the IRS auditorium. The Treasury Department and the IRS are requesting comments on the proposed regulations by _____. Comments may be submitted to: CC:PA:LPD:PR (REG-122380-02), room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, DC 20044, or hand delivered Monday through Friday between the hours of 8 am and 4 pm to: CC:PA:LPD:PR (REG-122380-02), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC. Alternatively, taxpayers may submit comments electronically via the IRS Internet site at www.irs.gov/regs or via the Federal eRulemaking Portal at www.regulations.gov (IRS and REG-122380-02).